

6,401,079). Applicant respectfully submits that the cited reference does not disclose or suggest all of the limitations of the present claims.

In the Office Action, the Examiner also rejected claims 12-27 and 34-37 under 35 U.S.C. § 103(a) on the grounds that the claims were obvious over Kahn et al. in view of Vasic US 2001/0034676, Gates et al. US 6,411,938, Olsen et al. US 7,146,336, Stoutenburg US 6,829,588, and Khemlani US 6,772,146. Again, Applicant respectfully submits that the cited Kahn et al. reference, even if combined with the other references cited by the Examiner, does not disclose, or suggest, all of the limitations of the present claims.

Overview of Applicant's Invention

Before responding to the Examiner's comments, a brief overview of Applicant's invention is warranted. Applicant's invention comprises a method and system for collecting and disseminating payroll information to employees which provides an incentive for employees to enroll in direct deposit payroll programs. For example, the invention may allow employees to access their payroll information electronically during a specified introductory time period, and then, upon expiration of the introductory period, the employee may only access such information by voluntarily participating in the employer's direct deposit payroll program.

This determination as to whether the employee is qualified to access payroll information is made by inputting the employer's predetermined criteria for direct deposit payroll participation and then comparing the criteria to the direct deposit data associated with the employee to assess whether the data satisfies the criteria for direct deposit payroll participation. If so, the employee is permitted access to the electronic payroll information.

Similarly, the employee's input of W-4 data may also be used as qualification criteria for the employee's access to payroll information. As disclosed in Applicant's specification, this

predetermined criteria may include the employee's input of the employee's selected number of allowances (for dependents), marital status, Social Security Number (SSN), additional withholding amount, and exemption status.

The cited references do not disclose any direct deposit or W-4 qualification criteria which must be satisfied for an employee to have access to payroll information.

By contrast, the prior art references identified by the Examiner make no mention of any direct deposit or W-4 qualification criteria which must be satisfied by the employee for access to payroll information. For example, Kahn et al. does not disclose any of the steps in Applicant's Claim 1 of storing "criteria for direct deposit payroll participation;" "determining whether the direct deposit data for the employee satisfies the criteria for direct deposit payroll participation;" or "if the employee direct deposit data satisfies the criteria, sending the corresponding payroll data over the network to the employee." Nor does Kahn et al. disclose the steps in Applicant's Claim 28 of storing "criteria for W-4 participation;" "determining whether the W-4 data for the employee satisfies the criteria for direct deposit payroll participation;" or "if the employee W-4 data satisfies the criteria, sending the corresponding payroll data over the network to the employee." Accordingly, Kahn is not a viable reference for a rejection under either § 102 or § 103.

Kahn does not disclose storing "criteria for direct deposit payroll participation."

In support of the rejection of claim 1, the Examiner contends that Kahn discloses storing "storing "criteria for direct deposit payroll participation" in column 11 (line 50) through column 14 (line 19). However, examination of the cited text reveals only that the described system is capable of receiving direct deposit information; there is no mention whatsoever of any criteria for direct deposit payroll participation.

Kahn does not disclose “determining whether the direct deposit data for the employee satisfies the criteria for direct deposit payroll participation;” or “if the employee direct deposit data satisfies the criteria, sending the corresponding payroll data over the network to the employee.”

Of course, in the absence of any criteria for direct deposit payroll participation, there cannot be any comparison made to such nonexistent criteria, nor can there be any activity conditioned upon the results of such impossible comparison. Although the Examiner contends that Kahn discloses “determining whether the direct deposit data for the employee satisfies the criteria for direct deposit payroll participation and if the employee direct deposit data satisfies the criteria, sending the corresponding payroll data over the network to the employee” in column 27 (lines 17-22), column 45 (lines 10-34), column 46 (lines 66 and 67), column 47 (lines 1-11), column 49 (lines 52-67), column 50 (lines 1-7 and 61-67), and column 51 (lines 1-13), examination of the cited text reveals only that the described system is capable of receiving direct deposit information -- there is no mention whatsoever of *any* criteria for direct deposit payroll participation. For example, in a portion of the cited text at column 45, lines 17-19 and 32-34, Kahn merely states that: “Each employee *can* designate one or more financial institutions for the electronic direct deposit of all or portions of the employee's paycheck” and that “The Employer *can* permit employees to access and change their respective direct deposit elections” (emphasis added). There is no mention, or even a suggestion in Kahn that the employee's access to payroll information is conditioned upon meeting any pre-established criteria for direct deposit payroll participation. Accordingly, Kahn is not a viable reference for either a § 102 or § 103 rejection for independent claim 1 or claims 2-11 depending from it.

Kahn et al. does not disclose the steps of storing “criteria for W-4 payroll participation,” “determining whether the W-4 data for the employee satisfies the criteria for W-4 participation;” or “if the employee W-4 data satisfies the criteria,

sending the corresponding payroll data over the network to the employee.”

Similarly, Kahn does not disclose criteria for W-4 payroll participation, or using such criteria to determine whether an employee is entitled to receive payroll data. In fact, there are only two references to W-4 in Kahn et al., and these merely relate to the *display* of W-4 information:

“The system displays the applicable employee-withholding taxes in a selectable list in "Tax" field 4370. In FIG. 35(a), in which the user selected "FEDERAL INCOME TAX," the system displays information regarding the employee's federal income tax including: filing status (selectable from pull-down menu 4375, e.g., single, head of household, married), number of W-4 withholding allowances, and a possible method to override the calculated tax amounts or rates, if applicable (selectable from pulldown menu 4380, e.g., none, percentage, adjustment amount, fixed amount).

In FIG. 35(b), in which the user selected "CA INCOME TAX," the system displays information regarding the employee's California income tax including filing status, number of DE-4 allowances, number of regular (W-4) withholding allowances, and override tax calculation method and amount/rate, if applicable.”

(Column 44, lines 37-52). Thus, Kahn et al. does not disclose any of the steps of storing “criteria for W-4 payroll participation,” “determining whether the W-4 data for the employee satisfies the criteria for W-4 participation;” or “if the employee W-4 data satisfies the criteria, sending the corresponding payroll data over the network to the employee” as claimed in Applicant’s independent claim 28. Further, for the same reasons, Kahn et al. cannot serve as a valid reference for claim rejections under 35 U.S.C. § 103(a). Accordingly, Kahn is not a viable reference for either a § 102 or § 103 rejection for independent claims 28 or 35, nor claims 29-34 and 36-37 depending, respectively, from them.

The other references cited by the Examiner in support of the § 103 rejections are also deficient. For example, the Examiner cites Gates et al. US 6,411,938 as disclosing “determining


whether the employee time interval following the employee reference date has expired, and if the time interval has not expired, sending the corresponding payroll data over the network to the employee.” However, Gates merely addresses the attempted reduction of fraudulent payroll disbursements by establishing both monetary and time limits, “such as individual payrolls exceeding \$50,000 over a period of 5 days” for use in monitoring excessive direct deposit payments made on behalf of the employer. (Column 9, lines 53-54). Moreover, if both the established monetary and time limits of Gates are exceeded, there is no indicated effect upon the availability of payroll information to the employee, rather, the result is that “no direct deposits from this payroll will be paid.” (Column 9, line 55). Accordingly, Gates does not disclose the claim limitations identified by the Examiner, and the rejections based upon this reference should be withdrawn.

Similarly, the Examiner’s reference to Olsen et al. US 7,146,336 is misplaced. Although the Examiner contends that Olsen “teaches the use of displaying the remaining time-interval data to the employee,” Olsen merely relates to a graphic display for a currency trader of how currency exchange rates vary historically over time. (Column 15, lines 47-49). Hence, because Olsen relates solely to *past* data, it cannot disclose anything involving a *remaining* time interval. Further, the information displayed in Olsen is clearly directed to use by a currency trader, not an employee. For these reasons, the Examiner’s rejection based upon Olsen should also be withdrawn. Other references offered by the Examiner in support of § 103 rejections are similarly deficient. Although Applicant respectfully asserts that none of the cited patents discloses or suggests the other limitations included in the rejected claims, Applicant believes that the absence of the “criteria for direct deposit payroll participation” and “criteria for W-4 payroll participation” alone, as discussed above, resolves the Examiner’s concern. Accordingly, in view

of the inapplicability of Kahn et al. to support the Examiner's rejections of the independent claims 1, 28 and 35, Applicant elects to forgo further argument on these other limitations not present in the cited patents. However, in foregoing discussion of these additional limitations not present in the cited patents, Applicant does not waive his right to fully discuss the other limitations, if necessary, in the future. Accordingly, Applicant respectfully asserts that the rejections of claims 12-27 and 34-37 under Section 103 should be withdrawn.

In light of the foregoing amendments and the preceding remarks, it is submitted that this application is now in condition for allowance and prompt and favorable reconsideration is respectfully requested. The Examiner is encouraged to contact the undersigned via telephone to resolve any outstanding issues.

Respectfully submitted,

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